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STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE

In the Matter of:)
)
ABD Insurance and Financial Services, Inc.)
Newfront Insurance Services, LLC.)
)
Insurance Producer Licensee)
Surplus Lines Broker Licensee)

Division of Insurance Case No. D 22-02

STIPULATED AGREEMENT AND ORDER

The State of Alaska Division of Insurance (division) and ABD Insurance and Financial Services, Inc. (ABD) and their successor corporation, Newfront Insurance Services, LLC. (ABD/Newfront) the insurance licensees in this case, stipulate and agree that the activity that occurred during the time that their license was lapsed is resolved as follows:

I. BACKGROUND

A. On July 28, 2009, ABD was formed as a corporation domiciled in the state of California with FEIN 27-0673528 and national producer license number (NPN) 16435215.

B. On February 12, 2013, the division issued Producer License 111677 for Casualty, Property, and Health to ABD, and on September 25, 2017, the division issued Surplus Lines Broker license 111677 to ABD authorizing ABD to transact insurance business in Alaska. Both of ABD's Alaska licenses expired on February 12, 2021 and, although in the process of being renewed as part of their merger with Newfront Insurance Services, LLC., have not renewed at the time of this agreement.

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1 C. Following the expiration of ABD's Alaska licenses, ABD continued to transact insurance
2 business in Alaska and between February 12, 2021, and to January 11, 2022, collected \$150,000 in broker
3 fees and \$306,747.13 in commissions while unlicensed for total compensation of \$456,747.13.

4 D. ABD/Newfront's actions reflected in paragraph (C) constitute violations of AS 21.27.010(a)
5 (license required).

6 E. The director, under AS 21.27.410(a) or AS 21.27.440(a)(3), may suspend or revoke a license for
7 a violation of AS 21.27.010.

8 F. The director, under AS 21.27.440(a)(1) may impose a civil penalty equal to the compensation
9 paid and under AS 21.27.440(a)(2) may impose a civil penalty of not more than \$10,000 for each violation
10 or a civil penalty of not more than \$25,000 for each violation, if the director determines that the person
11 willfully violated the provisions of AS 21.27.

12 **II. TERMS OF AGREEMENT**

13 ABD/Newfront stipulates and agrees:

14 (i) that the conduct described in paragraph C above constitutes a violation of Alaska law,
15 including AS 21.27.010(a);

16 (ii) that ABD/Newfront pay a fine of 50% of total unlicensed compensation for Alaska placed
17 business, in the amount of \$228,373.56, which is imposed immediately and due within 30 days of the date of
18 this agreement. Failure to pay the fine within 30 days will result in the revocation of ABD/Newfront
19 licenses;

20 (iii) that ABD/Newfront pay a penalty of 10% of total compensation in the amount of
21 \$45,674.71.

22 (iv) that ABD/Newfront waives their right to a hearing and enters into this agreement voluntarily
23 with full knowledge of all rights they may have in this matter.
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(v) ABD/Newfront understands that this agreement is not binding on the parties unless and until the director signs the order adopting this agreement.

(vi) ABD/Newfront further understands that this agreement resolves the civil liability issues between the parties to this agreement related to these violations of the state's insurance laws.

DATED: 1/26/2022

Division of Insurance

By: Alex M. Romero
Alex Romero
Chief Investigator

DATED: 1/26/2022

ABD/Newfront Insurance Services, LLC.

DocuSigned by:
By: Kurt de Grosz
ABD/Newfront Representative

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Approved as to form and content:

DATED: 1/27/22

Treg R. Taylor
Attorney General

By: 

Dan Wilkerson
Assistant Attorney General

ORDER

IT IS FURTHER ORDERED that this Stipulated Agreement and Order is adopted in full resolution of the civil liability issues between the parties to this agreement in this case and shall constitute the final order in these matters.

DATED this 27th day of January, 2022.



Lori K. Wing-Heier
Director, Division of Insurance

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